

Dairy Firm, Under Probe For Election Gifts, Is Sued

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The Justice Department yesterday filed a civil antitrust suit against one of three major dairy cooperatives already under investigation in connection with contributions of \$427,000 to President Nixon's re-election campaign.

The suit, filed in U.S. District Court in Kansas City, charges Mid-America Dairy-men, Inc., with attempting to monopolize and unreasonably restrain the sale of milk in a 10-state area.

The civil action asks that the courts prohibit Mid-America from continuing these practices. Since no criminal action was taken, no fine or other penalty is involved.

Mid-America, along with Associated Milk Producers, Inc. (AMPI), and Dairymen, Inc., is also under investigation by the Senate Watergate committee and the Watergate Special

Prosecution Force in connection with the campaign contribution. Consumer advocate Ralph Nader has filed a suit charging the Nixon administration increased dairy price supports in 1971 in exchange for campaign gifts.

The suit against Mid-America is the third antitrust suit the Justice Department has filed since 1972 against major dairy cooperatives. AMPI and Dairymen were named in the two previous suits.

The complaint charges that Mid-America attempted to monopolize milk sales through practices designed to eliminate competition from independent producers. It also charges that the cooperative entered into illegal agreements with milk haulers to restrain the ability of independent producers to transport their milk to processors.

The Justice Department said these actions virtually

eliminated competition in Mid-America's marketing area.

With headquarters in Springfield, Mo., Mid-America has about 19,000 milk producer-members in Texas, Missouri, Kansas, Nebraska, Iowa, Illinois, Minnesota, Wisconsin, Arkansas and Oklahoma. Last year it marketed about 7.5 billion pounds of milk with net sales of more than \$532 million.

The suit says that Mid-America began entering into illegal contracts as early as 1968. These agreements restricted the ability of Mid-America's members to withdraw from the cooperative and hire independent transporters and producers, the suit says.